CANADA DRY CORPORATION ANNUAL REPORT

year ended September 30, **1962**

AMERICA'S FIRST FAMILY OF BEVERAGES

CANADA DRY

CANADA DRY
Sparkling GRAPEFRUIT BEVERAGE
GRAPEFRUIT
CANADA DRY
Hi-spot
Sparkling LEMON-LIME SODA
CANADA DRY
CANADA DRY
GRAPEFRUIT BEVERAGE
CANADA DRY
CANADA DRY GINGER ALE
CANADA DRY GINGER ALE
CANADA DRY
True Fruit ORANGE SODA
GLAMOR COFFEE
CANADA DRY
low calorie COFFEE FLAVOR DRINK
SUGAR FREE
GLAMOR GINGER
CANADA DRY
low calorie GINGER FLAVOR DRINK
SUGAR FREE
CANADA DRY
low calorie
Root Beer flavor drink
ARTIFICIALLY SWEETENED CARBONATED BEVERAGE FOR DIETARY PURPOSES
CONTENTS 12 FL. OZ.
CANADA DRY
Hi-spot
Sparkling LEMON-LIME SODA
CANADA DRY
GINGER ALE
CANADA DRY
Sparkling COLA
CONTENTS 12 FL. OZ.
CONTENTS 12 FL. OZ.
CANADA DRY
ORANGE SODA
CANADA DRY
CLUB SODA
CANADA DRY
CLUB SODA
CANADA DRY
Original Pale Dry GINGER ALE
COLLINS MIXER
CANADA DRY
COLLINS MIXER
Natural Fruit Flavor
CANADA DRY
QUININE WATER
TONIC MIXER
CANADA DRY
QUININE WATER
TONIC MIXER

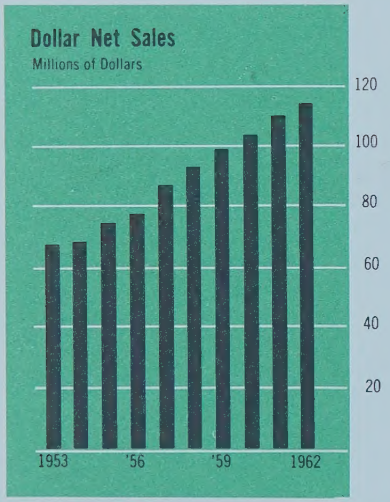
Canada Dry Corporation

Annual Report for the fiscal year ended September 30, 1962

Financial Highlights

Continued progress by the Company in 1962 resulted in record Net Sales and increased earnings.	1962	1961
Net Sales	$113,736,599	$110,006,842
Net Income Before Taxes	7,474,575	7,774,724
U. S. And Foreign Income Taxes	3,673,601	4,096,111
Net Income Before Special Items	3,800,974	3,678,613
Special Items	1,135,341	420,786
Net Income And Special Items	4,936,315	4,099,399
Dividends on Preferred Stock	205,880	205,880
Per Share of Common Stock:		
Net Income	1.53	1.47
Net Income And Special Items	2.01	1.65
Dividends Declared	1.00	1.00

Report to Our Stockholders

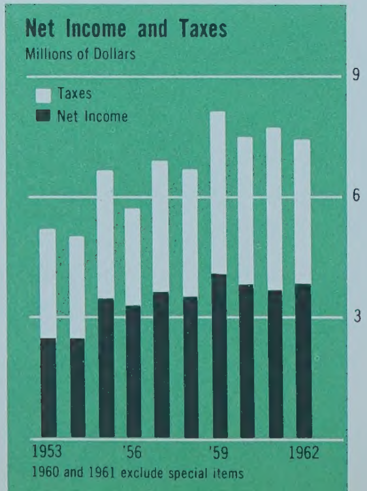


Sales of your Company's products at home and abroad showed further growth in the fiscal year ended September 30, 1962. With both carbonated beverage and wine and spirits sales volume reaching new highs, sales rose to $113,736,599.

Earnings, excluding the effect of special items as noted in the financial statements, were $3,800,974. After dividends on Preferred Stock, this was equal to $1.53 per Common share, as compared with $1.47 in the preceding year. Total earnings, including the special items, were $4,936,315, equivalent to $2.01 per Common share. There were 2,355,669 shares of Common Stock outstanding at the end of both years. Net worth rose to $45,766,478, an increase of $2,346,080 over the preceding year.

Dividend payments on the Common Stock were maintained at the rate of $1.00 per share and regular dividends on the Preferred Stock were paid at the annual rate of $4.25 per share. A quarterly dividend of $0.25 per share on the Common Stock and a regular dividend of $1.0625 per share on the Preferred Stock have been declared, both payable on January 1, 1963 to stockholders of record on December 10, 1962.

The year showed continued progress in our



efforts to assure ever-widening availability and acceptance of our diversified product lines — carbonated beverages in a broad range of flavors, sizes and packages—fountain syrups—and our fine imported and domestic wines and spirits.

The accomplishments for the year were encouraging although certain other factors adversely affected earnings. The devaluation of the Canadian dollar during the year reduced total profits by $200,454. During the course of extended union negotiations in Metropolitan New York which ultimately were concluded by a three-year agreement, sales were lost as a result of two periods of work stoppage at the height of the beverage season. Weather was generally unseasonably cool during all or a substantial part of the usually warmer months in many of the markets in the United States, Canada and Europe in which our products are most strongly represented.

Constantly rising costs of labor, supplies and services are factors with which all business must contend in these times. Through vigilant expense control and operating economies from improved methods, we seek to minimize the effect of these conditions.

Intense competition is characteristic of our business. This was further manifested in the past year as numerous brands of canned beverages — many new and unfamiliar — made onslaughts on the market at prices which, in some cases, seem unrealistic in today's economy. Although we must protect our position and adjust to transitory phases of the business, our unchanging policy is to develop sales volume for our beverages in cans, as well as other forms of convenience packaging, at equitable and prudent prices, by relying on the proven values of product quality, brand respect and constructive marketing practices.

In carbonated beverage operations, both in the United States and foreign countries, marketing activities were directed to the promotion of our full line of beverages, affording "a flavor for every taste." Our best known products, the world famous Canada Dry Ginger Ale, and the popular mixers, Club Soda, Quinine Water and Collins Mixer, continue to be a reliable source of strength and growth. An even greater potential, however, exists in the general refreshment market and the opportunities it opens for further development of brand preference for our broad line of flavor drinks. It is therefore our purpose to sustain strong support for our well-established products and, at the same time, to provide promotional emphasis for our newer beverages. Progress to date strengthens our conviction that the program we have developed is an effective vehicle for achieving an increasing share of total beverage sales — both mixers and soft drinks — in old and newer markets alike. Of particular significance in assessing the future prospects for our business is the fact that in 1962 sales and consumption of Canada Dry beverages throughout the world reached the highest point in the Company's history.

The Wine and Spirits Division maintained its pattern of growth and contributed to overall results according to plan. The efforts of its effective organization, coupled with the competence of our distributor group, advanced the market position of its principal imported and domestic brands.

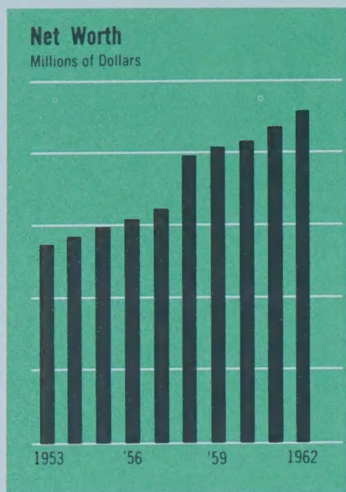
You will be interested in the activities of our operating divisions as reported on the following pages. The devoted performance of all our employees was a source of strength throughout the year, and no less so was the wholehearted cooperation of our fine body of bottlers and distributors. I speak in behalf of our entire organization in expressing appreciation for the support and helpfulness of our stockholders.

Sincerely,

Roy W. Moore Jr.

December 10, 1962 PRESIDENT

Operations and Activities



The Gold Shield line of premium-quality fountain syrups was introduced as another effort aimed at increasing our volume from soft drinks served at soda fountains and other public eating places.

Our low calorie dietetic beverages — in both non-return bottles and cans — continued to build up their sound rate of market penetration and consumer acceptance.

United States Carbonated

Canada Dry in the United States is a prominent member of a large and growing industry. Your Company's strength in this expanding market stems from the ability of its nation-wide network of Company-owned and licensed plants to be locally competitive in promoting a full assortment of beverages, all bearing a single and trusted trademark. The line we now market is complete in that it fills every mixer need; features a variety of refreshing soft drinks; and includes beverages commonly used for both purposes, headed by our top-selling Ginger Ale. Growth in each of these product areas – in bottles of all sizes and types, and in cans – contributed to our overall gains.

Highlighting our continued leadership in mixers was the strong sales performance of Quinine Water. Grapefruit, with its dual appeal as a thirst-quencher and a mixer, registered another sharp increase in volume. As in each year since 1955, our line of flavors, particularly in the distinctive king-size bottle, produced a substantial share of our growth. Noteworthy, too, was the continuing sales momentum of Canada Dry low calorie beverages, offered last year in a wider array of packages, of both the convenience and economy types, as determined by local demand.

Canned soft drinks received special prominence in some areas this past summer as a variety of brands was featured in large markets at progressively lower prices. Although these unsettled conditions affected the rate of growth during the last fiscal quarter, sales of Canada Dry beverages in cans increased in 1962 by a good margin. The demonstrated willingness of many people to pay a reasonable premium for convenience benefits, as well as the proven value of brand confidence, leads us to expect further growth from this source as the market becomes more stable.

In this connection, it is pertinent that more than 90 per cent of all packaged carbonated beverage industry sales last year were in standard deposit bottles, which also accounted for the largest share of our own case sales increase. Even as cans and one-way bottles expand our opportunities, we look

for the familiar returnable bottle to provide the bulk of our sales revenue in the foreseeable future.

Our products are accustomed to conspicuous representation in supermarkets. Widespread distribution in a great variety of smaller stores, however, as well as in the growing number of on-premise, "cold-bottle" locations, is vital to successful soft drink marketing. Both Company and bottler sales staffs are exerting great emphasis on opening more such outlets as a means of bringing our beverages closer to more people more frequently. Continued expansion of coin-vending is an important part of this effort. Especially promising has been the development of automatic can vending machines which enable us to offer our chilled drinks to consumers in hitherto inaccessible locations. We have been in the forefront of this development and the recent perfection of a can vendor suitable for a wider range of use enlarges our opportunities.

Our fine group of licensed bottlers throughout the country is an integral part of the Canada Dry system of production and distribution facilities which makes our broad national program possible. The cooperation with which they support our full line marketing objectives contributes appreciably toward the attainment of our goals. National and regional promotional and merchandising campaigns are given greater depth and breadth by reason of bottler participation. Our widely advertised Money Tree Sweepstakes promotion, for example, was strongly supported by our bottlers and effectively stimulated sales in hundreds of communities across the nation.

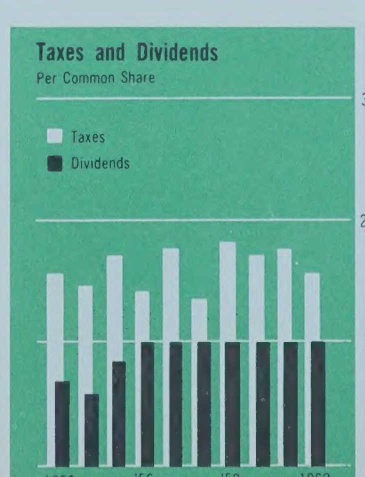
Wine and Spirits

Consumer sales of our imported brands, as well as the group of domestic items produced by the Company, increased in 1962.

Particularly noteworthy was the progress achieved for Johnnie Walker Scotch Whiskies. Increased supplies have enabled us to accelerate promotional effort in this fast-growing segment of the industry. Both Johnnie Walker Red Label and Black Label are outstanding brands in this expanding market and the emphasis our distributing organization has placed on widespread consumer availability has made the distinctive square Johnnie Walker bottle a familiar package wherever spirits

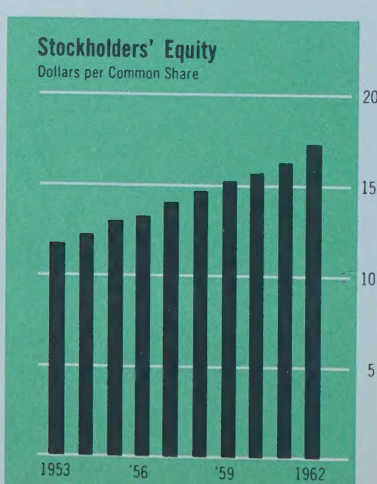
Two attractive teen-agers on a carefree outing — one in a series of magazine advertisements pointing up the added convenience benefits — plus quality — of Canada Dry canned beverages.

A shipment of canned beverages on its way to an overseas military base. Sales in post exchanges and ships' stores in 1962 continued their steady rise.



Advertisements such as this for Johnnie Walker Black Label Scotch appearing in national publications were a feature of the strong support given this brand.

The pride in product quality and the generations of distilling tradition that combine to make Canada Dry Kentucky Bourbon the increasingly popular brand it is becoming were effectively underscored in this advertisement which appeared in several national magazines.



are sold in this country. Supported by substantially increased advertising, Red Label won many new friends as growing preference for this popular brand lifted consumer sales to a record level; and Black Label maintained its long-standing pre-eminence amongst deluxe Scotch whiskies.

Widening esteem for Pedro Domecq Spanish Sherries and Brandies was evidenced by increased sales. The other prestige imports we represent – Strega, the Italian liqueur, Power's Irish Whiskey and Power's Imported Gin – each contributed to the year's successful operations.

Canada Dry Bourbon, with sales growing at a pace ahead of its field, was the outstanding performer in the group of Company brands, which includes Gin, Vodka and Fruit-flavored Brandies and Cordials. Canada Dry Bourbon enjoys selective distribution and a loyal following in most sections of the country, and in a growing number of markets concentrated effort has developed deep market penetration and broad brand acceptance. The installation of additional modern equipment at the Nicholasville, Ky. distillery made possible increased efficiency, improved packaging and further refinement of quality control procedures.

International

The renown of Canada Dry Ginger Ale overseas preceded our foreign licensing program by many years. Along with Club Soda and Quinine Water, it finds acceptance wherever in the world we can take it to market. In all parts of the globe, however, there exist diverse and pronounced flavor preferences that respond eagerly to a choice of beverages pleasing to the prevailing tastes. Our steady progress in world markets is due in large measure to the capacity of our full line program to capitalize on the beverage wants of local populaces. Examples are many and exciting: in Chile – a highly developed Ginger Ale market – where our established three-plant licensed operation doubled its rate of sales during the first year of intensive full promotion featuring "Limon Soda," a citrus beverage specially prepared by our Greenwich Laboratories to suit Chilean tastes; in Aden, on the Arabian Gulf, where the Canada Dry bottler in his first year secured an unusually high rate of per capita sales, with Cream Soda the most popular drink; in Leopoldville, where rapidly rising vol-

ume, with Orange the leading seller, necessitated enlarged production capacity in the fifth year of local bottling. These — and many more in Europe, Latin America, Africa, the East — are all stimulating manifestations of world market expansion and encouraging indicators of the business opportunities that lie ahead.

The gratifying operating results of the International Division in 1962 confirm the soundness of the measures we have taken to advance Canada Dry's position in world markets. Substantially rising volume reflected gains by all products in the line, and the great majority of our foreign plants increased their sales. Although progress resulted primarily from growth in existing markets, new bottling operations were started in Doha, Qatar, and Antigua, West Indies. Additional plants were opened in Meoqui, Mexico and in Oberholzer, Transvaal, and Welkom, Orange Free State, both in the Republic of South Africa. New plant openings scheduled for this year include Madrid, Spain; Malta; Brazzaville in the Congo Republic; and Joao Belo, Portuguese East Africa; plus two or more additional plants in Argentina.

Canada

Despite the virtual absence of favorable weather during the summer months, sales in Canada showed an increase in 1962. Added promotional activities coupled with intensive market coverage from Company and bottler plants partially offset the effect of unseasonable temperatures and were successful in preserving a good share of the impressive gains registered during the early part of the year.

The market strength acquired as a result of our broad line development program was evident in the consistency of volume growth throughout our line, in licensed as well as Company-operated areas. Canada Dry Ginger Ale — its popularity both deep-rooted and growing in its homeland — and flavor beverages, including Grapefruit, accounted for the bulk of the increase. Sales of Club Soda, Quinine Water and other mixer beverages moved ahead at a modest rate.

During the year, a final judgment was rendered for the damages sustained as a result of the expropriation of the former Montreal plant property for highway purposes, resulting in a gain reflected in the special items noted in the financial statements.

Whether the scene is a Tokyo garden, Teheran or Tucson, enjoyment of carbonated beverages is universal.

CLASSIFICATION OF COMMON STOCKHOLDERS

Number Shares	Stockholders	Shares Held
1 - 99	12,678	366,207
100 - 300	7,766	1,027,770
301 - 500	406	169,339
501 - 1000	231	168,983
1001 & over	161*	623,370
Total	21,242	2,355,669

**Includes brokers, security dealers, fiduciaries, institutional investors and nominees. Represented therein is an undetermined number of individual stockholders.*

Class	Stockholders	Shares Held
Men	6,960	675,764
Women	7,226	615,785
Joint Accounts	4,790	321,942
Fiduciaries, Institutional Investors and Nominees	1,863**	301,871
Brokers and Security Dealers	232**	380,796
Others	171	59,511
Total	21,242	2,355,669

***Number of individual stockholders represented is not available.*

A holiday travel contest open to Canadian consumers and featuring prizes of all-expense trips to popular vacation lands has grown in popularity to become an annual event. Winners of this year's "Easter Holiday in Mexico" are shown enjoying the sights in Acapulco.


CANADA DRY
Canada Dry Around the World
Company-operated Bottling Plants
Direct Delivery Service Depots (Canada)
Quality Control Laboratories
Extract Manufacturing Plants
Canada Dry Distilleries
Licensed Bottling Plants

Consolidated

ASSETS

	September 30 1962	September 30 1961
CURRENT ASSETS:		
Cash	$ 6,727,812	$ 6,976,788
Marketable securities – at cost plus accrued interest:		
Short-term obligations	5,208,929	5,702,914
United States Treasury Bonds	—	487,500
Trade receivables (less reserve – 1962, $209,041; 1961, $172,270)	14,267,923	12,247,648
Other receivables	892,663	1,720,872
Inventories – at cost, not in excess of market:		
Materials and supplies (average cost)	3,666,093	3,803,501
Carbonated beverages and resale extracts (average cost)	2,231,102	1,743,243
Liquors and wines (cost on "first-in, first-out" basis):		
In bond (subject to taxes payable on withdrawal)	6,274,789	6,139,897
Out of bond	1,056,294	876,703
Merchandise for resale	375,259	297,464
Total current assets	40,700,864	39,996,530
PROPERTY, PLANT AND EQUIPMENT:		
Land	833,295	833,295
Buildings, machinery, equipment, etc. (less reserves for depreciation and amortization – 1962, $15,880,164; 1961, $14,807,058)	16,136,519	15,250,839
Containers – including estimated quantities in hands of customers:		
Bottles	12,141,177	11,686,299
Cases (less reserve, for balance sheet purposes, provided from earned surplus and equal to 50% of ledger value of cases – 1962, $4,028,015; 1961, $3,999,329)	4,028,015	3,999,329
Total property, plant and equipment – net	33,139,006	31,769,762
OTHER ASSETS:		
Deposits receivable from customers on returnable containers – estimated	1,897,000	1,821,000
Prepaid expenses, deferred charges, etc.	2,402,518	2,347,600
Goodwill, trade-marks, etc.	1	1
Total other assets	4,299,519	4,168,601
TOTAL	$78,139,389	$75,934,893

Reference is made to the Notes to Financial Statements appearing on page 13.

Balance Sheet

LIABILITIES

	September 30 1962	1961
CURRENT LIABILITIES:		
Accounts payable	$ 3,527,936	$ 3,162,485
Dividends payable	640,387	640,387
Debentures and notes due within one year (less debentures in treasury)	408,700	1,150,700
United States and Foreign income taxes	2,216,332	2,299,312
Other taxes	1,367,633	1,444,857
Salaries, wages, interest, and other accruals	1,802,603	1,322,906
Total current liabilities (exclusive of an indeterminable amount of container deposits which will be currently returned to customers — see below)	9,963,591	10,020,647
OTHER LIABILITIES:		
Twenty Year 4% Sinking Fund Debentures due June 1, 1976 ($530,000 redeemable annually)	9,350,000	9,880,000
4¾ % Convertible Subordinated Debentures due July 1, 1981 (sinking fund requirements begin in 1971)	7,138,400	7,138,400
4% Notes, due $63,700 annually to July 1, 1969	382,200	445,900
Liability to customers for deposits on returnable containers — estimated	4,149,720	4,086,548
Deferred income taxes	1,389,000	943,000
Total other liabilities	22,409,320	22,493,848
CAPITAL STOCK AND SURPLUS:		
Capital stock:		
Preferred — authorized 58,012 shares without par value; issued and outstanding, 48,441 shares of $4.25 cumulative series (voting); at preference on involuntary liquidation, $100 a share	4,844,100	4,844,100
Common — authorized 3,000,000 shares par value $1.66⅔ a share; issued and outstanding, 2,355,669 shares	3,926,115	3,926,115
Capital surplus	8,308,178	8,308,178
Earned surplus	28,688,085	26,342,005
Total capital stock and surplus	45,766,478	43,420,398
TOTAL	$78,139,389	$75,934,893

Reference is made to the Notes to Financial Statements appearing on page 13.

Statement of Consolidated Income

	Years ended September 30 1962	1961
NET SALES	$113,736,599	$110,006,842
COST OF GOODS SOLD	56,887,606	54,619,052
GROSS PROFIT ON SALES	56,848,993	55,387,790
ADVERTISING, SELLING, DISTRIBUTING, AND GENERAL AND ADMINISTRATIVE EXPENSES	48,853,915	47,215,630
OPERATING INCOME	7,995,078	8,172,160
OTHER INCOME:		
Interest	173,369	52,260
Other – net	61,307	50,134
Total	8,229,754	8,274,554
DEDUCT—INTEREST ON LONG-TERM OBLIGATIONS	755,179	499,830
INCOME BEFORE UNITED STATES AND FOREIGN INCOME TAXES	7,474,575	7,774,724
PROVISION FOR UNITED STATES AND FOREIGN INCOME TAXES:		
United States	2,765,028	3,381,784
Foreign	423,573	494,327
Deferred	485,000	220,000
Total	3,673,601	4,096,111
NET INCOME	3,800,974	3,678,613
SPECIAL ITEMS		
Net gain (recorded as determined) on expropriation of Montreal plant less, in 1962, $300,000 write-down of portion of German facilities to estimated disposal value, etc.	1,135,341	420,786
NET INCOME AND SPECIAL ITEMS	$ 4,936,315	$ 4,099,399

Statement of Consolidated Earned Surplus

	Year ended September 30, 1962
BALANCE AT BEGINNING OF YEAR	$ 26,342,005
NET INCOME AND SPECIAL ITEMS	4,936,315
Total	31,278,320
DEDUCTIONS:	
Cash Dividends:	
Preferred Stock, $4.25 a share	205,880
Common Stock, $1.00 a share	2,355,669
Increase in reserve for cases, for balance sheet purposes, to amount equal to 50% of ledger value of cases	28,686
Total	2,590,235
BALANCE AT END OF YEAR	$ 28,688,085

Reference is made to the Notes to Financial Statements appearing on the opposite page.

Notes to Financial Statements

PRINCIPLES OF CONSOLIDATION

All subsidiaries, each of which is wholly owned, are included in the financial statements.

As to foreign subsidiaries, current and other assets and liabilities are stated at rates of exchange prevailing at the close of the year. Property, plant, and equipment are stated at rates of exchange in effect at dates of acquisition. Sales and earnings are stated at monthly average rates of exchange.

Net assets located outside the United States, principally Canada, were $10,930,110 at September 30, 1962 and $8,979,784 at September 30, 1961.

CONTAINERS

The general practice of the Companies with respect to returnable containers is to charge to income the cost of containers retired or otherwise disposed of, including those which, it is estimated, will not be returned by customers, less customers' deposits thereon and less sales proceeds, if any; and, for balance sheet purposes only, to provide a reserve for cases (equal to 50% of the ledger value thereof) from earned surplus. Container costs (net) so charged to income were $2,903,522 and $3,042,292 for the years ended September 30, 1962 and 1961, respectively.

LONG-TERM OBLIGATIONS

Of the authorized but unissued common stock, 246,152 shares were reserved at September 30, 1962 for conversion of the Company's 4¾% debentures (convertible into common stock at $29 a share through July 1, 1981, subject to adjustment in certain events). A sinking fund requirement commencing in 1971 is designed to retire 60% of the issue prior to maturity.

The Indenture under which the convertible debentures were issued contains a restrictive covenant which limits the availability of surplus for the payment of dividends on common stock. The consolidated earned surplus free of such restriction at September 30, 1962 was approximately $4,200,000. There are no restrictions on the payment of dividends on the outstanding preferred stock.

RETIREMENT PLAN

The Company and its Canadian subsidiary have retirement plans for qualified employees. Operations for the years ended September 30, 1962 and 1961 were charged $201,200 and $204,345, respectively, for contributions to the funds. On the basis of actuarial assumptions revised during the year, the unfunded past service cost at September 30, 1962 was estimated to be approximately $304,000.

DEPRECIATION

The statement of consolidated income includes provision for depreciation of buildings, machinery, equipment, etc., of $2,046,494 and $1,985,326 for the years ended September 30, 1962 and 1961, respectively.

LONG-TERM LEASES

The Company occupies eleven plants (eight of which were formerly owned by it) under leases of land and buildings which provide for current aggregate annual rentals of $615,371 and successive renewal options for varying periods commencing 1967-80 at substantially lesser aggregate annual rentals, the Company also paying taxes, insurance, maintenance and repairs under these leases. In addition, the Companies occupy other premises, including two plants, under long-term leases at aggregate annual rentals of $176,360.

CONTINGENT LIABILITIES

The Company is contingently liable as guarantor of bank loans made to licensed bottlers to finance their purchases of vending machines and of bottles and cases. The Company is also contingently liable with respect to conditional sales contracts and other similar title retention agreements arising from the sale of vending machines by the Company, which instruments had been sold to banks subject to repurchase upon default by the customer. Such contingent liabilities amounted to $460,000 at September 30, 1962.

Accountants' Opinion

To The Stockholders and Board of Directors of Canada Dry Corporation:

We have examined the consolidated balance sheet of Canada Dry Corporation and subsidiary companies as of September 30, 1962 and the related statements of consolidated income and earned surplus for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the accompanying consolidated balance sheet and statements of consolidated income and earned surplus present fairly the financial position of Canada Dry Corporation and subsidiary companies at September 30, 1962 and the results of their operations for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Haskins & Sells

New York, December 6, 1962

Ten Year Comparison *for the fiscal years ended September 30*

	1962	1961	1960	1959
OPERATIONS				
Net Sales	$113,736,599	110,006,842	103,507,707	98,553,603
Deductions:				
Cost of Goods Sold	56,887,606	54,619,052	50,428,232	48,027,054
Expenses	49,374,418	47,613,066	45,488,384	42,364,865
Total Deductions	106,262,024	102,232,118	95.916,616	90,391,919
Net Income Before Taxes	7,474,575	7,774,724	7,591,091	8,161,684
Federal and Foreign Income Taxes	3,673,601	4,096,111	3,858,209	4,157,550
Net Income	3,800,974	3,678,613	3,732,882	4,004,134
Special Items	1,135,341	420,786	(1,166,077)	—
Net Income and Special Items	4,936,315	4,099,399	2,566,805	—
Distribution of Net Income:				
Preferred Dividends	$ 205,880	205,880	205,879	205,880
Common Dividends	2,355,669	2,355,669	2,355,669	2,355,670
Common Shares Outstanding Sept. 30	2,355,669	2,355,669	2,355,669	2,355,669
*Per Share of Common Stock:				
Net Income	$ 1.53	1.47	1.50	1.61
Net Income and Special Items	$ 2.01	1.65	1.00	—
Dividends Declared	$ 1.00	1.00	1.00	1.00
Number of Stockholders	21,737	20,850	20,705	19,912
FINANCIAL STATUS				
Current Assets	$ 40,700,864	39,996,530	31,627,204	32,661,020
Current Liabilities	9,963,591	10,020,647	9,896,582	9,270,113
Net Working Capital	30,737,273	29,975,883	21,730,622	23,390,907
Property, Plant and Equipment — Net	33,139,006	31,769,762	31,919,678	30,124,668
Other Assets	4,299,519	4,168,601	3,865,275	3,422,261
Total	68,175,798	65,914,246	57,515,575	56,937,836
Long Term Obligations	16,870,600	17,464,300	10,919,600	11,513,300
Liability to Customers for Deposits	4,149,720	4,086,548	4,040,484	4,110,543
Deferred Income Taxes	1,389,000	943,000	723,000	345,000
Deferred Income — Bermuda	—	—	—	115,493
Total	22,409,320	22,493,848	15,683,084	16,084,336
Stockholders' Equity	45,766,478	43,420,398	41,832,491	40,853,500
Book Value Per Common Share	$ 17.37	16.38	15.70	15.29

*On the basis of the number of common shares outstanding at September 30.

1958	1957	1956	1955	1954	1953
93,860,800	86,037,538	77,563,586	74,259,475	67,362,067	66,496,447
48,166,382	42,218,207	38,995,312	37,897,582	33,606,621	32,030,829
38,993,948	36,863,082	32,865,167	29,652,469	28,690,065	29,166,376
87,160,330	79,081,289	71,860,479	67,550,051	62,296,686	61,197,205
6,700,470	6,956,249	5,703,107	6,709,424	5,065,381	5,299,242
3,182,020	3,392,912	2,600,720	3,218,384	2,687,843	2,917,224
3,518,450	3,563,337	3,102,387	3,491,040	2,377,538	2,382,018
—	—	—	—	—	—
—	—	—	—	—	—
205,880	205,880	205,880	207,581	212,812	212,812
2,056,205	1,931,902	1,917,808	1,617,550	1,130,623	1,318,353
2,355,672	1,941,186	1,920,311	1,913,911	1,903,049	1,903,049
1.41	1.73	1.51	1.72	1.14	1.14
—	—	—	—	—	—
1.00	1.00	1.00	.85	.60	.70
17,608	15,396	13,902	12,110	11,325	11,287
33,193,289	28,446,389	25,808,397	23,708,897	21,979,602	22,092,037
7,799,002	8,284,479	7,625,917	8,671,963	6,387,760	7,056,052
25,394,287	20,161,910	18,182,480	15,036,934	15,591,842	15,035,985
26,670,515	25,182,614	25,569,344	22,164,339	20,376,084	20,085,935
3,085,512	2,704,991	2,833,060	2,444,204	2,207,889	2,717,050
55,150,314	48,049,515	46,584,884	39,645,477	38,175,815	37,838,970
11,470,000	11,890,000	12,000,000	5,936,000	6,352,000	6,768,000
3,837,142	3,568,923	3,701,156	3,779,299	3,495,790	3,729,027
—	—	—	—	—	—
245,494	379,132	297,789	107,521	6,986	49,382
15,552,636	15,838,055	15,998,945	9,822,820	9,854,776	10,546,409
39,597,678	32,211,460	30,585,939	29,822,657	28,321,039	27,292,561
14.75	14.10	13.41	13.08	12.35	11.85

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